SECTION 3.0
ALTERNATIVES

Fort Detrick has identified three alternatives to its proposed action, as well as a no action alternative. These alternatives are presented in Sections 3.1 through 3.5.

3.1 THE ARMY RCI PROGRAM ALTERNATIVE (PREFERRED)

Implementation of the proposed action, as described in Section 2.2, is Fort Detrick's preferred alternative. Use of various MHPI authorities, proposed for and identified in the CDMP put forth by GMH and negotiated by Fort Detrick, would achieve the purpose of and need for the proposed action as described in Section 1.2. This alternative is evaluated in detail in Section 4.0 of this document.

3.2 THE PARTIAL PRIVATIZATION ALTERNATIVE

Under the partial privatization alternative, Fort Detrick would subject only a portion of the installation's family housing to the RCI. Family housing in good condition (not in need of demolition or renovation) would remain subject to Army management for maintenance and operational control.

Privatization of only a portion of Fort Detrick's family housing inventory would have three substantial drawbacks. First, the condition of the family housing retained by the Army would change over time, eventually resulting in a need for its renovation or replacement. Failure to include the entire inventory of housing in the RCI would only delay action to provide adequate housing for soldiers and their dependents. Second, two management regimes (the Army's and the Development Entity's) would not be as cost-efficient as one. From a Development Entity's perspective, maximum potential cash flow is also important to support development and operation of ancillary supporting facilities desired by an installation, activities that traditionally do not provide independent self-sustaining sources of revenue. Finally, partial privatization would not fully meet the Army's purpose of and need for the proposed action. Together, these factors render consideration of partial privatization at Fort Detrick not feasible, and therefore, this alternative is not evaluated in detail in this EA.

3.3 THE PRIVATE SECTOR RELIANCE ALTERNATIVE

Under this alternative, Fort Detrick would rely solely on the private sector to meet the housing needs of personnel assigned to the installation. The installation would terminate family housing programs, dispose of existing family housing units, and convert the land now supporting housing areas to other uses.

The alternative is premised, in part, on the view that competitive marketplace forces would lead to the creation of sufficient affordable, quality family housing. Data vary, but in general experience shows that soldiers and their families living off-post must cover between 15 and 20 percent of their costs out-of-pocket (OOP). Moreover, there are several intangible benefits to soldiers and their families living on-post. These include camaraderie and esprit de corps among the military personnel, a sense of "family" among dependents (especially during soldiers' deployments), proximity to the workplace (thereby avoiding lengthy commutes), and soldiers' comfort level in knowing that their dependents are residing in a safe community while they are deployed or serving on temporary duty at a distant location.

As a practical matter, termination of Fort Detrick family housing would prove difficult. If on-post housing were to be terminated over a period of years, in the absence of maintenance funding, the existing housing would become unsuitable because of age or the necessity of repairs. Residents could then find themselves living in blighted and partially abandoned neighborhoods.

If on-post housing were to be terminated all at once, it is unlikely that the private sector could provide the requisite amount of affordable, quality housing, as well as shopping, roads, and other support amenities on short notice.

Renovation of a portion of the family housing units at Fort Detrick is economically sound. Termination of family housing programs would involve abandonment of immense investments in those facilities. The various consequences of reliance on the private sector and the management difficulties of effecting termination of family housing on-post would prove challenging. In light of the aggregate value of family housing units amenable to renovation, termination of a family housing construction and maintenance program would gravely contravene the fiscal responsibilities Congress expects of the Army. For these reasons, this alternative is not reasonable and is not further evaluated in this EA.

3.4 THE LEASING ALTERNATIVE

There are statutory authorities under which Fort Detrick could ensure the availability of adequate, affordable housing through use of long-term leases of housing for military family use. Key aspects of the two laws providing these authorities are summarized below.

- *Long-term leasing of military family housing to be constructed.* Family housing obtained through use of this authority, which appears at 10 U.S.C. 2835, is most often referred to as "Section 801 Housing." Under this authority, the Army may, through competitive contract procedures, have a developer build or renovate (to residential use) family housing units near an installation. Housing units under this authority must meet DoD specifications. The Army may then lease the units for use as family housing for a period of not more than 20 years. At the end of the lease term, the Army has the option to purchase the housing units from the private developer.

- *Military housing rental guarantee program.* Family housing obtained through use of this authority, which appears at 10 U.S.C. 2836, is most often referred to as "Section 802 Housing." Under this authority, the Army may award a competitive contract to a private developer or a state or local housing authority to construct or rehabilitate housing on or near an installation that has a shortage of housing for personnel with or without accompanying dependents. Under the contract, the Army guarantees occupancy levels of the housing units, at rental rates comparable to those for similar units in the same general market. Housing units under this authority must comply with DoD specifications or, at the discretion of the Service secretary, local building codes. A rental guarantee agreement cannot exceed 25 years in duration; it can be renewed only for housing that is located on government-owned land. The agreement may provide that utilities, trash collection, snow removal, and entomological services be furnished by the Army at no cost to the occupant to the same extent that such services are provided to occupants of on-post housing.

The Section 801 housing program is limited to off-post housing. It does not contain authorities for leveraging Army funds to renovate on-post housing to bring it up to current Army standards.

There has been only limited experience with either of these authorities. An important drawback affecting both programs concerns what is known as budget "scoring," the method of accounting for federal government obligations as required by the Budget Enforcement Act of 1990. Scoring ensures that all government obligations are accounted for when long-term liability is incurred (during the first year of a project). Scoring guidelines issued by the federal Office of Management and Budget require that a project must be fully funded with sufficient budget authority in its first year to cover the government's long-term commitment. In other words, all potential costs associated with long-term leasing or rental guarantee programs must be recognized in the first year, and they must be considered as part of the Army's total obligational authority (the total monies appropriated by Congress for use by the Army in a given year). For some privatization projects, such as military leased housing, the Army’s obligations for scoring purposes amount to the net present value of the total rent under the lease. These amounts can be nearly as great as the sums required under traditional military construction financing for Army-initiated construction of similar facilities.

The Section 801 housing program and Section 802 rental guarantee program only partially address the purpose of and need for the proposed action. Because of the scoring guidelines, the Army would obtain either very little or no leverage benefit.

Enactment of new authorities in the MHPI suggests Congress’s recognition that Section 801’s and Section 802’s drawbacks outweigh potential benefits to the Army. Although use of either or both of the Section 801 and Section 802 authorities would be possible, their use would not be reasonable when compared to the better flexibility and economic advantages of the new authorities offered by the RCI to the Army and to the soldiers’ families. Accordingly, the off-post leasing alternative is not further evaluated in this EA.

3.5 THE NO ACTION ALTERNATIVE

CEQ regulations prescribe inclusion of the no action alternative. The no action alternative serves as a baseline against which the impacts of the proposed action and alternatives can be evaluated.

Under the no action alternative, Fort Detrick would not implement the proposed action but would continue to provide for the family housing needs of its personnel through use of traditional military maintenance and construction procedures. Fort Detrick would continue to obtain funding for family housing through the congressional authorization and appropriations process. Based on historical trends, it is assumed that the amount of congressional funding for family housing would not change and that the housing maintenance backlog would continue to increase. Any major changes to or construction of new housing would require that appropriate NEPA analyses be completed before implementing such actions.

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